

The Importance of the Whole Process of Project Cost Management

Wang Ge, Guo Yijing

College of Urban, Liaoning Communication University, Shenyang, Liaoning Province, China

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Abstract: In modern construction economic management, the whole process of project cost management can comprehensively and accurately grasp the construction of construction factors, investment funds to optimize the use, at the same time, it also ensures the sustainable and healthy development of construction process, improves the comprehensive benefit of construction enterprises and units, and improves the core competitiveness of construction enterprises and units. Then it analyzes the problems existing in the whole process of project cost management, and finally discusses the effective measures to strengthen the whole process of project cost management.

1. Introduction

The application of project cost management in construction economic control can accurately analyze the budget cost, reduce the capital loss in construction and promote the long-term development of construction enterprises. In modern construction enterprises, fund management is undoubtedly the lifeline of the normal development of enterprises. It can not only realize the overall and comprehensive economic management of the enterprise, but also improve the related management and reduce the capital risk in the development of the enterprise.

2. The importance of whole process project cost in modern construction economic management

2.1. The accurate realization of construction economic management

At present, with the rapid development of science and technology in our country, the traditional project cost budget implementation and budget management can not meet the requirements of modern project economic management. The relative accuracy of previous capital expenditure can not be guaranteed, which will greatly affect the smooth implementation of the project. Therefore, the concrete construction project is easy to produce uncertainties, which makes it difficult to achieve the expected results in the project cost management. In order to ensure the accuracy of the construction project, we must maximize the construction quality and efficiency of the construction project, the construction process of the construction project for a comprehensive design and control. Only in this way can the comprehensive evaluation and management of the construction project be carried out and the standardization of the management of all aspects of construction be strengthened. Therefore, it is necessary to adopt the whole process project cost management model to carry on the dynamic management to the project cost, so as to take effective measures to improve the overall construction accuracy of the construction project, and timely judge and analyze the shortcomings in the management work.

2.2. Ensure the cost estimate of the whole project process is reasonable and accurate

In order to maximize the economic benefits of construction enterprises, it is necessary to reduce the construction risk of project. Even if the whole process of construction cost is adopted, it is necessary to comprehensively analyze various capital problems in the construction process, such as bank loan interest rate, material market price, construction environment, construction content, etc. , because the project investment in our country will be divided into fixed assets investment and operating investment, so after the completion of the construction project, the project engineers should also fully combine the specific situation of capital investment. Only reasonable capital

investment can better optimize the construction project. Before the actual construction of the project, the project cost analysis of the whole process of the project can not only estimate the funds needed in the construction process, but also effectively consider the impact of the changes in the price of raw materials caused by the time problem and the changes in the construction environment on the construction process. Through the analysis of these external environmental factors, we can bring more accurate cost budget for the whole project. At the same time, because the project requires a large amount of capital investment, developers will generally obtain a large amount of funds through bank loans or other financing channels. Therefore, in the whole process of project cost, the impact of changes in bank loan interest rate should also be considered.

2.3. The whole process of project cost prevention to prevent the process risk of building economic management.

In the process of construction project implementation, the whole process of project cost, project engineers mainly through the system research, determine the specific problems affecting the project, and ultimately to achieve accurate project evaluation, so as to carry out budget management and more scientific control, to ensure the accuracy of the whole project, to prevent the construction process of project management, engineering personnel should be scientific optimization of construction funds, effectively improve the construction efficiency and progress, so as to make the whole project more stable, to ensure the scientific allocation of human, material and financial resources, rather than unnecessary waste of resources. In the settlement and management of construction projects, engineers can settle the project payment through acceptance after completion acceptance, so that the benign development of construction enterprises can achieve the maximum economic benefits. In the whole process of project cost, the relevant technical personnel can realize the specific analysis of the whole project, so as to effectively improve the accuracy of the whole construction process. Through the specific analysis of the project, the construction of the whole project can be reasonably predicted, and the possible problems can be reinforced and prevented in advance, so as to effectively reduce the probability of accidents in the construction process.

3. The application strategy of whole process engineering cost in modern engineering economic management

3.1. Improve engineering economic management and early warning mechanism

The standardized development of modern engineering economic management can not be separated from the perfection of laws and regulations and the construction of risk monitoring and early warning mechanism. Especially in the face of higher and higher quality requirements of engineering construction, the corresponding engineering construction management system should be formulated according to the system loopholes and economic risks of different engineering construction, to ensure the project from planning decision-making, construction to the completion of the stage of cost control economic development. First, to clarify the work of different project economic management responsibilities, do a good job in the construction of the timely acceptance and valuation work. Secondly, in view of the potential economic risks in the construction of engineering projects, the identification, analysis, monitoring and early-warning mechanism of different project risks should be established, and the existing risk indicators should be classified and monitored, including the risk of raw materials, construction risk, capital risk, construction period risk.

3.2. Detailed construction contract preparation and review

As the key point of economic management of project cost, contract agreement should be defined in the contract according to the requirements of different index elements in economic management of project, so as to avoid unnecessary contract disputes and hidden troubles in economic management. First of all, for the whole process of drafting, confirming and signing the construction contract, professional anti-fake personnel should be assigned to follow up to ensure that the relevant

contract terms and contract items are clear. Afterwards, in the process of performing the construction contract, we will carry out all-round institutional constraints and management on construction materials, construction quality, construction period, construction economic benefits and other aspects, strictly implement the engineering economic management process in the contract, and improve the safety of quality engineering economic accounting and management.

3.3. Strengthen the quality supervision of the construction process

For the quality supervision of the whole process of construction, we should do well in the planning of project budget and final accounts and construction scheme, and do well in the overall allocation of human and material resources in the process of construction, do a good job of project completion acceptance and other work to achieve the quality of construction management standards. In the project economic management of the whole construction process, new construction technology is constantly introduced, the existing construction technology and construction scheme are reformed and innovated, and the standard of project quality acceptance and project economic benefit is raised, make the quality of the project stand the test.

3.4. Introduce advanced technology to promote management effectiveness

At present, with the progress of science and technology, the whole process of engineering cost management is applied in construction economic management and control. Using modern information technology BIM technology, the whole project data can be analyzed statistically. Through the application of BIM, we can give full play to the role of the whole process of project cost management. As the third party of construction industry, the whole process of project cost management continues to bring more benefits to the construction industry. Therefore, in the development process, we need to actively introduce BIM technology to promote the improvement and effectiveness of project cost management throughout the process.

4. Problems existing in the whole process of project cost management

4.1. The budget management department lacks a proper management process

Good production planning is particularly important, because the competition between construction enterprises is very fierce, and design is an indispensable part of the construction process. The draft laid the foundation for the project bidding, in the whole design process, any link can not replace its competitive position. However, in the actual construction process, many construction sites currently lack relatively sound and scientific budgeting procedures, and even the importance of budgeting is not high, and there are extensive problems in incomplete, detailed and incomplete content, which makes most data difficult to be reliable and effective in the actual budgeting process. In addition, the price of some materials needed in the process of the 14th National Congress of the Communist Party of China will also change due to changes in the market. Therefore, it is easy for the construction unit to continuously increase the budget in the later stage of construction, which will eventually lead to serious overdraft of the budget during the construction process, thus expanding the project investment.

4.2. Unreasonable construction design

Building construction is also a part of the building budget. Poor design quality may affect the project progress and quality. Some construction units have shortened the development time due to emergency problems in the construction stage, resulting in arbitrary construction changes in the construction stage. There is no strict control over the control requirements of investment quota, the guarantee of building standards, the in-depth review of design, and the legality and integrity of bidding documents and contracts. In addition, the construction site was not prepared so that the subsequent work failed. To this end, the project management must strictly comply with the approval procedures, especially the feasibility study and investment rate. The implementation of the design and budget draft is a scientific and reasonable organization aimed at avoiding economic damage caused by unexpected changes.

4.3. Budget variances

In China's current laws and regulations, the budget quota, charging basis, charging standard and budget preparation are different in different regions and industries. If these differences are not carefully understood, some cross-regional and cross-industry architectural design units will make mistakes when preparing budgets. Therefore, if the construction unit undertakes cross-industry and cross-region construction projects, it needs to carefully query and analyze the budget differences of the project to avoid mistakes in charge and budget management.

5. Effective measures to strengthen the whole process of project cost management

5.1. Improve the project budget audit and supervision work

In order to avoid large budget errors in construction projects, it is necessary to continuously improve budget monitoring and review within the actual project budget to avoid the adverse effects of human factors. The development budget plays an important role in ensuring the efficiency of development investment and determining the construction price, which is an integral part of the total construction cost. In addition, as part of the project budget, the application of engineering technology, geological types and environment under reasonable conditions should be allowed to further develop the project quota system. In this process, the overall economy must also be improved by appropriately adjusting the design ratio to adapt to regional differences and development levels. Finally, the quota system is improved by adjusting engineering, engineering and labor costs.

5.2. Make full use of computers for budget preparation

A large amount of data needs to be collected in the early stages of the budget proposals and aggregated in the later stages. Although the construction cycle is longer, but the budget estimate time is more pressing, so the time is short, the task is heavy. How to integrate a large amount of data in a short period of time to get accurate results has become a problem budget estimators have to consider. It is not uncommon for staff to make mistakes when calculating and collating various data. At this time, the use of computer and various computer-aided software has successfully improved the accuracy of budget estimates, saving a large number of human and material resources.

5.3. Scientific determination of quota

Under certain external conditions, the project budget should be made according to the resource consumption factors of qualified products, such as financial, material and human resources, which can be called quota. Such quotas usually reflect the relationship between social productivity and various factors in a given period of time. For example, the level of productivity and the degree of engineering mechanization, the quality of technical personnel, hardware and equipment, innovation and technology, the use of materials and so on. When using the quota to compile the budget estimate, we should work out the project quota according to the actual situation in combination with various factors. If the specific quota can not be determined, we should pay attention to the over-standard coefficient of the quota, reform and apply the quota reasonably, and ensure the unity, standardization and consistency of the unit price calculation results in each stage of the project.

To sum up, the whole process of project cost management is of great significance to the whole project. The whole process engineering cost management is a very professional work. In order to improve the economic management level of construction projects, we must strictly implement the project cost management mechanism in the whole process of the project, carry out the current relevant standards, speed up the effectiveness of financial examination and approval, and improve the financial supervision framework as soon as possible, and through further strengthening the whole process tracking management, constantly optimize the information processing capacity, to improve the effectiveness of economic management of construction projects to provide a basic guarantee of high-quality products. Only through the effective management of project budget, can we control the project cost effectively and realize the maximization of enterprise economic benefit.

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